

State Employee Benefits Committee
January 25, 2010, 2:00 p.m.
Tatnall Building, Room 112
Dover, Delaware

The State Employee Benefits Committee met on January 25, 2010 at the Tatnall Building, Room 112, Dover, Delaware. The following Committee members and guests were present:

Ann Visalli, Director, OMB
Brenda Lakeman, OMB, Director,
Statewide Benefits
Faith Rentz, OMB, Statewide Benefits
Ann Skeans, Statewide Benefits
Lois Houston, Statewide Benefits
Mary Thuresson, OMB, Statewide Benefits
Vicki Ford, OMB, Financial Operations
Casey Oravez, OMB, Financial Operations
Mike Casey, AON
Nick Taylor, Medco
Dr. Kaplan, BCBSD
Andrew Kerber, Department of Justice
Carolyn Berger, Justice, Supreme Court
Russ Larson, Controller General
Steve Kubico, Office of Controller General
Lori Christiansen, Office of Controller General
Crystal Webb, DHSS
Karen Weldin Stewart, Insurance Commissioner
Linda Nemes, Department of Insurance
Nick Adams, State Treasurer's Office
Barbara Bennett, State Treasurer's Office
Tom Cook, Secretary of Finance
David Craik, Office of Pensions
Tom Chapman, SEBAC Chair, DSEA
Mike Nichols, SEBAC, DSP
Mary Cooke, DOE
Kim Hawkins, City of Dover

Mary Pat Urbanik, U of D
Lionel Gilbert, U of D
Judy Anderson, DSEA
Timothy Barchak, DSEA
Stephen P. Smith, DSEA, retired
James Testerman, DSEA, retired
James R. Harrison, DSEA, retired
Joseph Morocco, HMS
Mike North, Aetna
Katherine Impellizzeri, Aetna
Julie Caynor, Aetna
Drew Brancati, BCBSD
Jay Reed, BCBSD
Faith Joslyn, BCBSD
Chris Aldrich, BCBSD
Jacob Rausch, Dominion Dental
Brian P. Doury, DE State FOP
John Kenyon, AFSCME
Vincent McCann, AFSCME
Sandy Richards, AFSCME
Mike Begatto AFSCME
Karen Valentine AFSCME
Wayne E. Emsley, DRSPA
Larry Nicholson, DRSPA
Karol Powers-Case, DRSPA
Hugh Ferguson, DRSPA
Tom Adams, DRSPA

Agenda Items Discussed:

Introductions/Sign In

Ms. Lakeman called the meeting to order at 2:03 p.m. Introductions around the room followed.

Approval of Minutes

Ms. Lakeman asked for a motion to approve the December 14, 2009 SEBC minutes. Controller General Larson made the motion to approve the minutes and Mr. Adams seconded the motion. The minutes were approved with unanimous voice vote.

Director's Report

Ms. Lakeman stated the COBRA subsidy was extended on December 19 as part of the Department of Defense Appropriations Act. The eligibility period was extended through February 28, 2010. It was due to end December 31 for any employees who were involuntarily terminated. The duration the member can continue was extended from 9 to 15 months. In the 4th quarter of 2009, the state provided a subsidy of \$79,000 for 57 participants. The state paid \$141,000 in subsidy in Calendar Year 2009 and so far, has been reimbursed \$62,000.

The Health Management Request for Proposal (RFP), a combination of the Wellness and the Disease Management services, was released December 1. On January 11, nine proposals were received. Finalist interviews will be the end of February. A recommendation to the SEBC is expected in late March.

A small sample Dependent Eligibility Audit is being conducted for employees with dependents enrolled in medical, dental and vision for Capital School District, Department of Services for Children, Youth and their Families and City of Milford. The initial mailing went out January 15 to those members subject to the audit. Employees will have from February 1 to 26 to complete the audit and provide documentation. Audit findings will be reported to the SEBC in March.

Health Fund Financials

Fund Equity Report - Vicky Ford (handout)

There was an improvement from last month's report. There is still a \$10M negative balance. The improvement was primarily due to receipt of the fourth quarter FY09 Medco Pharmacy Rebate of \$4.7M.

Employee Assistance Program - Request for Proposal Recommendation

Ms. Visalli thanked the members of the Proposal Review Committee and designees for their help in the process. Ms. Rentz gave an overview with details of the PRC process and questions were answered. The following recommendation was presented to the SEBC:

“Contract award for Employee Assistance Program Administration to Human Management Services, Inc. (HMS) for an initial term of three years beginning July 1, 2010 and two one-year optional renewal years following the initial three year term. Rates shall be guaranteed for five years and there shall be no cap on the number of annual on-site training hours as provided in the RFP response and best and final pricing. The State shall pay the monthly administrative fee for each participant. Such award shall be subject to a finalized contract which shall include proposed Performance Guarantees intended to place 30% of total HMS fees at risk annually. Additionally, HMS and the State of Delaware shall mutually agree upon the metrics and reporting of performance guarantee standards, utilization reporting and methods to increase employee and dependent program utilization.”

There being no further questions, Ms. Rentz asked for a motion to approve the recommendation as presented to award the contract to HMS. Controller General Larson made the motion and Mr. Adams seconded the motion. The motion carried with a unanimous voice approval.

Group Health Plan FY 2011 Planning

Medco Prescription Program Considerations – Nick Taylor, Director of Clinical Services (handout)

The presentation included detailed information concerning the following:

- Specialty Pharmacy and Specialty Drug Management
 - Managing cancer drugs
 - Managing multiple sclerosis drugs
 - Managing migraine drugs
- Personalized Medicine
 - Benefits of Pharmacogenomics
 - Encourage use of the right drug for patients
 - Identify potential for adverse drug events based on genetic or biomarker information
 - Reduce unnecessary drug expenditures and avoid potential health care costs
 - Improve clinical care and health outcomes for patients
 - Examples of specific medicines this process would benefit patients with
 - Genetic testing recommendations
 - Warfarin (Coumadin®) Overview
 - Tamoxifen Overview

Discussion, questions and answers occurred throughout the presentation.

Ms. Lakeman brought attention to an article (she distributed) from Business Week about Personalized Medicine.

Group Health Coverage Option Changes and Coverage Management – Dr. Kaplan and Brenda Lakeman (handout)

The following were presented:

- Discuss coverage and possible changes to:
 - Bariatric Surgery
 - In Vitro Fertilization (IVF)
- Revisit utilization management of High Tech Imaging with Med Solutions for Blue Cross members

Current plan benefits and utilization costs, along with statistics were presented. Plan and practice changes to consider were explained along with plan modification savings summary. No vote was to be taken today on any of these items. Ms. Visalli stressed there is an incredible amount of work that goes into providing these good benefits to state employees. Discussion, questions and

answers were intermingled during the presentation. Dr. Kaplan gave detailed answers to medical questions and presented examples for clarification. The SEBC was encouraged to review all of the information they received today during the coming weeks and ask questions so they will be ready to vote on new plan changes, hopefully at the February SEBC meeting. These changes will be effective July 1, 2010.

SEBAC Comment

Mr. Chapman stated the SEBAC had discussed the items presented today and was glad to see the SEBC was trying to find savings and ensure integrity of benefits.

Public Comments

Three people from the public had signed up to comment. After presentations and discussions, they no longer needed to make comments.

Other Business

None.

Ms. Visalli again stressed members to email Ms. Lakeman any questions they had related to the items discussed today. A reminder was given that the next SEBC meeting will be on February 19, 2010 at 2:00 p.m. Being no further business, Ms. Visalli asked for a motion to adjourn. Controller General Larson made the motion and Secretary Weldin Stewart seconded the motion. Upon a unanimous voice approval the SEBC adjourned at 3:22 p.m.

Respectfully submitted,

Mary K. Thuresson
Administrative Specialist
Statewide Benefits Office, OMB